



Linda Jacobson (3 Copies)
RCRA Project Manager
US EPA Region VIII
8ENF-T
1595 Wynkoop Street
Denver, Colorado 80202-1129

April 7, 2008

SENT BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**CONSENT DECREE
CIVIL ACTION NO. CV 98-3-H-CCL
EAST HELENA SITE
WORK PERFORMED IN MARCH 2008
PROGRESS REPORT #111**

Dear Ms. Jacobson:

On May 5, 1998, Asarco and the United States Environmental Protection Agency (EPA) entered into a Consent Decree (Decree) to further the objectives of the Resource Conservation and Recovery Act (RCRA) and the Clean Water Act (CWA). Section XI of the Decree (Reporting: Corrective Action) requires Asarco to submit certified monthly progress reports to EPA which discuss the actions taken by Asarco in achieving compliance with the Decree. The reports are to be submitted to EPA no later than the twentieth (20th) day of the following month. The following describes only those activities that have occurred or are related to projects performed during March 2008. The historical actions taken by Asarco in achieving compliance with the Decree are contained in previous monthly progress reports.

a. Describe the actions, progress, and status of projects which have been undertaken pursuant to Part VII of the Decree;

On March 13, 19, and 28, 2008, Asarco, EPA, and the State of Montana participated in status update conference calls to discuss the on-going programs being conducted under the RCRA Consent Decree. The three status update conference calls focused on 1) Asarco's February 13, 2008 submittal of the Cover System Design Report, 2) EPA's public outreach efforts, 3) groundwater treatment alternatives, 4) CAMU cushion layer material and construction issues, and 5) 2008 Groundwater Investigation Work Plan.

- EPA indicated that placement of an interim measure Cover System was premature until the phase 2 RCRA Facility Investigation (RFI) and Risk Assessment (RA) was complete. EPA committed to respond to Asarco's

February 13, 2008 Cover System Design Analysis submittal through a formal letter.

- EPA advised Asarco that public meeting(s) with the City of East Helena and/or Lewis and Clark County are scheduled for the last week of April 2008. The public meeting topics include EPA's recent deviation in groundwater treatment options, interface between the CERCLA and RCRA programs, and CAMU construction progress. The State of Montana is scheduled to provide an update on the East Helena facility cleaning and demolition work.
- EPA advised Asarco of their change in philosophy towards groundwater remediation and their preference for a pump, treat, and injection (PTI) system to address boundary control and off site groundwater contaminant migration. Asarco communicated to EPA the technical, timing, and practical obstacles for implementing such a system and believes that the full ranges of groundwater treatment alternatives have not been adequately explored. On March 27, 2008, Asarco provided EPA with a brief list of potential groundwater migrations control options of which the long-term options are best evaluated under the RFI and Corrective Measures Study process.
- The approved CAMU Phase 2 cell cushion layer material (comprised of 1/4 to 1/2 inch material) presents sheer strength, displacement, and constructability issues. In several communications, all of which were summarized in a March 27, 2008 electronic mail, Asarco detailed these concerns to EPA and recommended replacing the 1/4 to 1/2 inch material with 3/4 inch minus material that meets prescribed grain size distribution. In a March 31, 2008 response, EPA provided conditional approval for use of the proposed material. On April 2, 2008, Asarco submitted revisions to the applicable sections of Appendix J, design figure(s), and application procedures that reflect the cushion layer material modification.
- On March 20, 2008, Asarco submitted to EPA the 2008 Groundwater Investigation Work Plan. On March 28, 2008, EPA communicated oral comments on the Work Plan. On April 1, 2008, Asarco submitted the revised Work Pan that incorporated EPA's comments.

On February 26, 2008, Asarco submitted to EPA the 2008 Interim Measures Work Plan Addendum for the Asarco East Helena Facility. The Addendum presents a work plan for conducting the 1) site wide soil sampling, excavation, and confirmation sampling in exposed areas (unpaved soils) on the site that are scheduled for cleaning and demolition activities and 2) cleaning, demolition, and soil sampling for the blast furnace flue and Monier flue system. Asarco continues to await EPA's review and approval.

Corrective Action Management Unit (CAMU)

On March 11, 2008, Asarco conducted the CAMU Phase 2 cell construction "kick-off" meeting. The meeting served to introduce Asarco, construction, oversight, and regulatory personnel involved in the project and to discuss the construction overview and schedule. Weekly construction progress meeting are being conducted each Wednesday morning. All participants are encouraged to attend or connect to the meeting through a telephone conference bridge. EPA is being provided summary minutes of the each weekly meeting as well as daily and weekly CAMU construction updates from Asarco contractor.

RI/FS Long-Term Monitoring Program

On March 3-4, 2008, the first quarter 2008 CAMU groundwater well monitoring was conducted. 2008. A total of 16 samples were submitted to Energy Laboratory for analyses for constituents per Table 3-3 of the Design Analysis Report Asarco East Helena Corrective Action Management Unit (CAMU) Sampling and Monitoring Plan (May, 2007). The total number of samples includes water quality samples from ten monitoring wells, and six QA/QC samples (3 DI-Blanks, 3 rinsate blanks, and 3 duplicate samples). Groundwater monitoring well MW-7 was dry. Therefore, no samples were collected from this site during the first quarter 2008 monitoring event.

In addition to the CAMU quarterly monitoring, Hydrometrics personnel completed all groundwater monitoring well pre-drilling activities during March 2008. The monitoring well drilling program that is summarized in the 2008 Groundwater Investigation Work Plan (revised, April, 2008) commenced on March 25, 2008. Groundwater monitoring wells DH-70 and DH-71 were installed during the week of March 24, 2008 and drilling commenced on groundwater monitoring well DH-68 on March 31, 2008. The remaining proposed groundwater monitoring wells are scheduled to be installed in April 2008.

On March 26 2008, Hydrometrics conducted personal air monitoring during drilling activities to determine heavy metal concentration. The results of the personal air monitoring showed that heavy metal concentrations were all well below the action level. Hydrometrics personnel will continue to use best management practices to ensure a clean work place to keep exposures low.

During March 2008, Asarco completed the monthly sampling of select residential groundwater wells, as prescribed in RI/FS Long-Term Monitoring Program (April 2007). The two irrigation wells located at the Nordstrom and Jones' homes were winterized and could not be sampled during March 2008. Copies of the March 2008 residential well notification cover letters along with the respective laboratory analytical reports have been attached to this monthly progress report.

A summary of the correspondence transmitted as part of the East Helena Consent Decree in March 2008 is included in Attachment 1.

- b. Identify any requirements under the Part VII of the Decree that were not completed in a timely manner, and problems or anticipated problem areas affecting compliance with the Decree;**

On February 25, 2008, Asarco mailed an access agreement to the property owner in which construction of monitoring wells EH-67 and EH-122 is being proposed. The property owner, who resides in Bellevue Washington, was similarly contacted by telephone on February 22, 2008 to request this access. Despite over a dozen follow-up telephone messages, the property owner has not returned telephone messages or the mailed access agreement. On April 2, 2008, the property owner was sent a duplicate access agreement by certified mail. There were no other requirements that were not completed in a timely manner nor were there problems or anticipated problem areas that may affect compliance with the Decree.

- c. Describe projects completed during the prior month, as well as activities scheduled for the next month;**

In accordance with the 1) 2006 Interim Measures Work Plan Addendum, Final Cleaning, Soil Sampling, Backfilling, and Interim Cap Work Plan and 2) 2006 Interim Measures Work Plan Addendum, Former Acid Plant Sediment Drying Area Slurry Wall, Monitoring, Operation, and Maintenance Work Plan, four areas in which interim caps have been installed are being inspected on a monthly basis with the most recent inspections occurring on March 3, 2008.

CAMU Landfill - In accordance with the July 2000 CAMU Design Analysis Report (Operation and Maintenance Plan), the CAMU is being inspected monthly with the last inspection occurring on March 5, 2008. This monthly inspection documented the condition of the CAMU.

During April 2008, anticipated projects included conducting repairs to extend monitoring wells in the Speiss/Dross slurry wall (all wells have been repaired except TW-1 as of April 2, 2008) and continuing the drilling program set forth in the 2008 Groundwater Investigation Work Plan (revised, April, 2008). Construction of the CAMU Phase 2 cell will continue with weekly progress meeting scheduled to take place every Wednesday.

- d. Describe and estimate the percentage of studies completed;**

The Pump and Treat Pilot Scale Testing for Source Area Reduction of Groundwater Contamination is approximately 100% complete.

The jar testing (Phase I) of the East Helena PRB Materials Testing Program is 100% complete.

The slurry wall construction in the former acid plant sediment drying area is 100% complete.

The interim capping project for the former acid plant sediment drying area, dross area, sinter plant area, gas cleaning section of the acid plant, and thaw house is 100% complete

The revised January 2008 CAMU Phase 2 Cell Design Analyses is 100% complete and the CAMU Phase 2 Cell financial assurance is fully funded.

The slurry wall construction in the former speiss-dross plant area is 100% complete.

The CAMU phase 2 Cell construction commenced on March 18, 2008.

e. Describe and summarize all findings to date;

The details of past findings through February 2008 are described and summarized in previous monthly progress reports.

f. Describe actions being taken to address problems;

There were no other actions required to address problems associated with the Decree.

g. Identify changes in key personnel during the period;

Asarco continues to use the services of Asarco technical personnel and Hydrometrics Incorporated to perform the various activities required under the Consent Decree.

h. Include copies of the results of sampling and tests conducted and other data generated pursuant to work performed under Part VII of the Decree since the last Progress Report. Asarco may submit data that has been validated and confirmed by Asarco to supplement any prior submitted data. Updated validated and confirmed data shall be included with the RFI Report, if not delivered before;

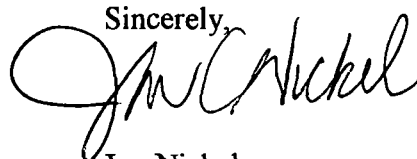
One validation package entitled "*Validation Summary, Asarco East Helena Post RI/FS Long-Term Monitoring Program, East Helena Residential Groundwater, Inorganic Analyses, March 2008 Sample Event*" is attached to this monthly progress report.

Asarco's data validator recently discovered minor errors in the previously submitted report entitled "*Validation Summary, Asarco East Helena Post RI/FS Long-Term Monitoring Program, East Helena Residential Groundwater,*

Inorganic Analyses, February 2008 Sample Event". None of the errors affect the quality assurance of the data. A revised report, *Validation Summary, Asarco East Helena Post RI/FS Long-Term Monitoring Program, East Helena Residential Groundwater, Inorganic Analyses, February 2008 Sample Event (Amended)* is attached to this monthly progress report.

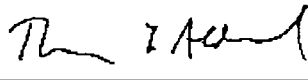
- i. **Describe the status of financial assurance mechanisms, including whether any changes have occurred, or are expected to occur which might affect them, and the status of efforts to bring such mechanisms back into compliance with the requirements of this Decree.**

ASARCO filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Bankruptcy Code in the Southern District of Texas on August 9, 2005. ASARCO hopes to use its chapter 11 bankruptcy proceeding to improve its financial position to the point where it can successfully reorganize and emerge from bankruptcy. ASARCO further hopes that at that time it will be in a position to make the required financial assurance demonstration. Asarco has established the necessary CAMU Phase 2 Cell financial assurance and has provided EPA with the complete executed original of the CAMU Trust Fund Agreement.

Sincerely,

Jon Nickel

CERTIFICATION
PURSUANT TO U.S. v ASARCO INCORPORATED
(CV-98-3-H-CCL, USDC, D. Montana)

I certify under penalty of law that this document, March 2008 Progress Report and all attachments, were prepared under my direct supervision in accordance with a system designed to assure that qualified personnel gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment for knowing violations.

Signature 
Name: Thomas L. Aldrich
Title: Vice President Environmental Affairs

CONSENT DECREE
EAST HELENA SITE
MARCH 2008 PROGRESS REPORT

SUMMARY OF CORRESPONDENCE
ATTACHMENT 1

DATE OF TRANSMITTAL	CORRESPONDENCE SENT FROM	CORRESPONDENCE SENT TO	SUBJECT	RESPONSE
March 7, 2008	Jon Nickel	Linda Jacobson	CAMU Phase 2 Cell - Kick Off Meeting Announcement	No Formal Response Required
March 11, 2008	Bob Miller	Linda Jacobson	CAMU Phase 2 Cell - 24 Inch Cushion Layer	EPA Discussion, March 19, 2008
March 14, 2008	Jon Nickel	Linda Jacobson	CAMU Phase 2 Cell - Cushion Layer Summary	EPA Discussion, March 19, 2008
March 20, 2008	Jon Nickel	Linda Jacobson	2008 Interim Measures Work Plan Addendum, Groundwater Investigation Work Plan, March 2008	EPA Informal Comments Received March 28, 2008
March 24, 2008	Jon Nickel	Randy Breeden	CAMU Phase 2 Cell - Cushion Gradation Information	EPA Response, March 24, 2008
March 27, 2008	Bob Miller	Linda Jacobson	Potential Groundwater Contaminant Migration Control Options	Continued Discussion on Potential Options
March 27, 2008	Bob Miller	Linda Jacobson	CAMU Phase 2 Cell - Cushion Layer Summary	EPA Conditional Approval, March 31, 2008
April 1, 2008	Jon Nickel	Linda Jacobson	2008 Interim Measures Work Plan Addendum, Groundwater Investigation Work Plan (Revised April 2008)	Formal Approval Required

April 2, 2008	Mark Rhodes	Linda Jacobson	CAMU Phase 2 Cell - Revisions to Appendix J, Design Figure(s), and Application Procedures	EPA Formal Approved Requested
Daily Reports and March 19, 2008 March 21, 2008 March 28, 2008 March 31, 2008	Jon Nickel and Mark Rhodes	Linda Jacobson	CAMU Phase 2 Cell - Daily and Weekly Progress Reports	No Formal Response Required
Attached to This Monthly Progress Report	Jon Nickel	Linda Jacobson	Validation Summary, Asarco East Helena Post RI/FS Long-Term Monitoring Program, East Helena Residential Groundwater, Inorganic Analyses, February 2008 Sample Event (Amended)	No Formal Response Required
Attached to This Monthly Progress Report	Jon Nickel	Linda Jacobson	Residential Well Notification Letters	No Formal Response Required
Attached to This Monthly Progress Report	Jon Nickel	Linda Jacobson	Validation Summary, Asarco East Helena Post RI/FS Long-Term Monitoring Program, East Helena Residential Groundwater, Inorganic Analyses, March 2008 Sample Event	No Formal Response Required

March 2008 RCRA Consent Decree Progress Report

Residential Well Notification Letters